



COR-0705
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8 December 1959

Mr.

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We would appreciate your considering means whereby we may transfer the cash advance of from Contract AF 37230 to Contract AF 39869.

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The establishment of the cash advance at the amount of assumed that the Company's equity in Contract AF 37230 would be completely realized by sales at this date; however a schedule stretch-out has occurred and the sales are not being recorded as previously estimated.

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The original reason for the cash advance was to reduce the necessity for the Company to disclose the presence of Contract AF 37230 as a part of its backlog in the raising of public funds for financing the work in process. We feel that the stretching out of the schedule has placed us in a position where Company officials may question the amount of the Company's investment in this particular work in process and may necessitate disclosure to these officials of the presence of such work in order to justify their approaching the public for additional financing.

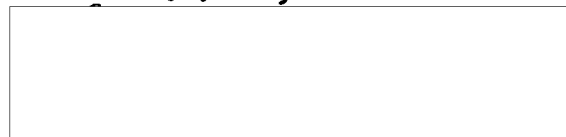
We feel that if the cash advance can be transferred to the follow-on contract, thereby permitting the invoicing of additional costs under Contract AF 37230, then the necessity for approaching the public for financing is eliminated.

Your usual prompt action in assisting in the solution of this problem will be appreciated.

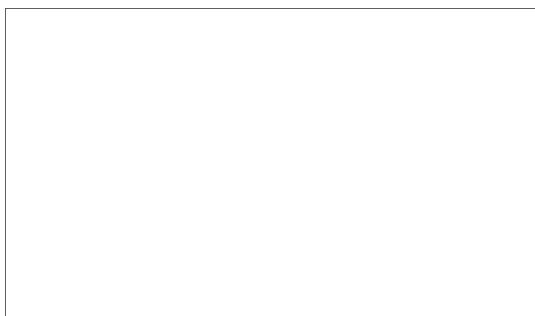
Very truly yours,

**CONTAINS SENSITIVE
COMPARTMENTED INFORMATION**

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*File RT-100
prop 5-2
Ground # 11*